

By: Van de Putte

S.B. No. 1322

A BILL TO BE ENTITLED

AN ACT

relating to the provision of ancillary services through limited services networks; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1305, Insurance Code, is amended by adding Subchapter C-1 to read as follows:

SUBCHAPTER C-1. LIMITED ANCILLARY SERVICES NETWORKS

Sec. 1305.131. PURPOSE. The purpose of this subchapter is to:

(1) authorize the establishment of limited ancillary services networks for the provision of workers' compensation ancillary services to injured employees;

(2) increase availability and access to ancillary services for injured employees; and

(3) provide for the authorization of vendors and suppliers of ancillary services.

Sec. 1305.132. DEFINITIONS. In this subchapter:

(1) "Ancillary service" means the provision of medical equipment or supplies, including those used to make modifications to a home or vehicle. An ancillary service does not include the provision of:

(A) medical equipment or supplies provided incident to a physician's professional service that are commonly furnished in a physician's office and are commonly rendered without

1 charge or are included as a charge in a physician's bill;

2 (B) an object or device that is surgically
3 implanted, embedded, inserted, or otherwise applied;

4 (C) related equipment necessary to operate,
5 program, or recharge the object or device described by Paragraph B;
6 or

7 (D) an intrathecal pump.

8 (2) "Limited ancillary services network" means a
9 network within which contractual relationships exist between
10 selected participating ancillary services vendors and suppliers
11 and a certified network.

12 Sec. 1305.133. AUTHORIZATION REQUIRED. (a) An ancillary
13 services vendor or supplier, or a group of ancillary services
14 vendors or suppliers, that seeks to provide services through a
15 limited ancillary services network must obtain approval from the
16 department.

17 (b) The department may approve a request to provide
18 ancillary services as a limited ancillary services network if:

19 (1) each proposed ancillary services vendor or
20 supplier within the network is registered with the department; and

21 (2) the proposed limited ancillary services network
22 has an adequate number and distribution of ancillary services
23 vendors and suppliers to provide services that are available and
24 accessible to employees within the certified network.

25 (c) The commissioner by rule shall establish standards for
26 the adequacy and accessibility of limited ancillary services
27 networks.

1 Sec. 1305.134. USE OF CERTAIN INSURANCE TERMS PROHIBITED.

2 A limited ancillary services network is not an insurer and may not
3 use:

4 (1) the words "insurance," "casualty," "surety," or
5 "mutual"; or

6 (2) any other word that is:

7 (A) descriptive of the insurance, casualty, or
8 surety business; or

9 (B) deceptively similar to the name or
10 description of an insurer or surety corporation engaging in the
11 business of insurance in this state.

12 Sec. 1305.135. CONTRACTS WITH CERTIFIED NETWORKS. (a) If a
13 certified network contracts with a limited ancillary services
14 network to provide ancillary services, the certified network shall:

15 (1) provide notice regarding the limited ancillary
16 services network to each employee receiving health care services
17 under the certified network who will be affected by the use of a
18 limited ancillary services network; and

19 (2) ensure that a covered ancillary service that is
20 not available within the limited ancillary services network is
21 provided to an employee receiving health care services under the
22 certified network at no additional cost to the employee.

23 (b) The certified network and the limited ancillary
24 services network may negotiate and enter into contracts for agreed
25 upon reimbursement amounts.

26 (c) A contract between a certified network and a limited
27 ancillary services network must be filed with the department.

1 (d) A contract filed with the department under Subsection
2 (c) is confidential and is not subject to disclosure as public
3 information under Chapter 552, Government Code.

4 Sec. 1305.136. APPLICABILITY OF OTHER LAW. A limited
5 ancillary services network established under this subchapter is not
6 subject to any other provisions of this chapter except Subchapter
7 L.

8 SECTION 2. Section 1305.551(a), Insurance Code, is amended
9 to read as follows:

10 (a) If the commissioner determines that a certified
11 network, insurance carrier, limited ancillary services network as
12 defined by Section 1305.132, or any other person or third party
13 operating under this chapter, including a third party to which a
14 network delegates a function, or any third party with which a
15 network contracts for management services, is in violation of this
16 chapter, rules adopted by the commissioner under this chapter, or
17 applicable provisions of the Labor Code or rules adopted under that
18 code, the commissioner or a designated representative may notify
19 the certified network, insurance carrier, limited ancillary
20 services network, person, or third party of the alleged violation
21 and may compel the production of any documents or other information
22 as necessary to determine whether the violation occurred.

23 SECTION 3. Section 1305.552, Insurance Code, is amended to
24 read as follows:

25 Sec. 1305.552. DISCIPLINARY ACTIONS. If under Section
26 1305.551 the commissioner determines that a certified network,
27 insurance carrier, limited ancillary services network as defined by

1 Section 1305.132, or other person or third party described under
2 Section 1305.551 has violated or is violating this chapter, rules
3 adopted by the commissioner under this chapter, or the Labor Code or
4 rules adopted under that code, the commissioner may:

5 (1) suspend or revoke a certificate or other
6 authorization issued under this code;

7 (2) impose sanctions under Chapter 82;

8 (3) issue a cease and desist order under Chapter 83;

9 (4) impose administrative penalties under Chapter 84;

10 or

11 (5) take any combination of these actions.

12 SECTION 4. Subchapter B, Chapter 408, Labor Code, is
13 amended by adding Section 408.0283 to read as follows:

14 Sec. 408.0283. REIMBURSEMENT FOR ANCILLARY SERVICES. (a)

15 In this section:

16 (1) "Ancillary service" means the provision of medical
17 equipment or supplies, including those used to make modifications
18 to a home or vehicle. An ancillary service does not include the
19 provision of:

20 (A) medical equipment or supplies provided
21 incident to a physician's professional service that are commonly
22 furnished in a physician's office and are commonly rendered without
23 charge or are included as a charge in a physician's bill;

24 (B) an object or device that is surgically
25 implanted, embedded, inserted, or otherwise applied;

26 (C) related equipment necessary to operate,
27 program, or recharge the object or device described by Paragraph B;

1 or

2 (D) an intrathecal pump.

3 (2) "Limited ancillary services network" means a
4 network within which contractual relationships exist between
5 selected participating ancillary services vendors and suppliers
6 and an insurance carrier.

7 (b) An ancillary services vendor or supplier, or a group of
8 ancillary services vendors or suppliers, that seeks to provide
9 services under contract with a workers' compensation insurance
10 carrier through a limited ancillary services network must obtain
11 approval from the division.

12 (c) The division may approve a request to provide ancillary
13 services through a limited ancillary services network if the
14 proposed ancillary services vendor or supplier within the network
15 is registered with the department.

16 (d) If an insurance carrier contracts with a limited
17 ancillary services network to provide ancillary services, the
18 carrier shall:

19 (1) provide notice regarding the limited ancillary
20 services network to each employee who will be affected by the use of
21 a limited ancillary services network; and

22 (2) ensure that a covered ancillary service that is
23 not available within the limited ancillary services network is
24 provided to an employee receiving health care services at no
25 additional cost to the employee.

26 (e) A contract between an insurance carrier and a limited
27 ancillary services network must be filed with the division.

1 (f) A contract filed with the division under Subsection (e)
2 is confidential and is not subject to disclosure as public
3 information under Chapter 552, Government Code.

4 (g) Notwithstanding any other provision of this title,
5 Section 504.053, or any provision of Chapter 1305, Insurance Code,
6 ancillary services provided through a limited ancillary services
7 network approved by the division may be reimbursed in accordance
8 with the fee guidelines adopted by the commissioner or at a contract
9 rate in accordance with this section.

10 (h) Notwithstanding Section 1305.003(b), Insurance Code, in
11 the event of a conflict between this section and Section 413.016 or
12 any other provision of Chapter 413 of this code or Chapter 1305,
13 Insurance Code, this section prevails.

14 SECTION 5. This Act takes effect September 1, 2013.